



News flash: First Green Bond from a Hong Kong energy utility, in line with Green Bond Principles and covered by Second Party Opinion

Dear Investors & Analysts,

(14 November 2017) The Hong Kong and China Gas Company Limited (“Towngas”) announced today that it has issued its inaugural Green Bond through a HKD 600 million and a JPY 2 billion transaction. The two transactions attracted significant green investor interest. Whilst Towngas’ original intention had only been to issue HKD 500 million in financing, the exercise was upsized due to a strong investor response. The Green Bond was issued under Towngas’ USD 2 billion Medium Term Note Programme and its new Green Bond Framework, which is in line with the Green Bond Principles 2017. The proceeds from the bond are earmarked to invest in Towngas’ waste-to-energy projects including our landfill gas utilization project at South East New Territories Landfill and other eligible Green investments that demonstrates Towngas’ strong dedication to sustainable development and the fight against climate change.

Sustainability is central to Towngas’ identity and is critical to all aspects of its operations. Towngas has a strong commitment to preserve, protect and improve the environment, particularly through the development and operation of waste-to-energy projects. The issuance by Towngas of its first Green Bond marks a milestone for Towngas’ financial and environmental strategies. Towngas is especially proud to be the first energy utility in Hong Kong to issue any Green Bond.

John Ho Hon Ming, Chief Financial Officer and Company Secretary of Towngas, said, “We are pleased with the issuance of our first Green Bond and encouraged by the keen support from green investors. We are also happy to play a part in developing green finance in Hong Kong, as highlighted in the recent Policy Address delivered by the Chief Executive of the Government of the Hong Kong Special Administrative Region.”

Towngas’ Green Bond Framework is prepared according to the international standards promulgated under the Green Bond Principles 2017 and has been reviewed by a global ESG and corporate governance research and rating provider, Sustainalytics. Both the Green Bond Framework and the Second Party Opinion from Sustainalytics are publicly available on Towngas’ website.

<http://www.towngas.com/en/Social-Responsibility/Health,-Safety-and-Environmental-Management/Green-Financing>)

The Green Bond is expected to be rated A1 by Moody’s Investor Services. Credit Agricole CIB acted as the Green Structuring Advisor in relation to the green structuring, preparation and distribution, as well as Sole Placement Agent for the issuance of the mentioned Green Bond.

Regards,

W K Lo

Head of Corporate Investment & Investor Relations

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About The Hong Kong and China Gas Company Limited (HKCG)

HKCG was founded in 1862 – the first public utility to begin operations in Hong Kong. Initially established to light up the streets of Hong Kong, our business in the territory today consists of the production and distribution of town gas, its marketing and sale, the provision of a full range of gas appliances, as well as comprehensive after-sales services.

Expanding into the mainland in 1994, our businesses in China include upstream, midstream and downstream gas projects, ranging from city-gas to gas transportation and vehicular gas refilling station projects. We have also diversified into telecommunications, building services, water supply, wastewater and food waste treatment, among others. In the past few years, in line with our vision to become a major energy supplier with an environmentally friendly focus, we have seen investment into new and unconventional energies, with projects ranging from the utilization of landfill gas to conversion of low value feedstock or wastes into high value clean energy and materials, emphasizing on self-developed patented green technologies.

HKCG has invested in 243 projects across 26 provincial regions in mainland China.